

Message Text

PAGE 01 TOKYO 06418 231151 Z

45

ACTION EA-14

INFO OCT-01 EUR-25 NEA-10 ADP-00 EB-11 SCEM-02 INT-08

COME-00 TRSE-00 OPIC-12 XMB-07 OMB-01 CIEP-02 CIAE-00

DODE-00 PM-07 H-02 INR-10 L-03 NSAE-00 NSC-10 PA-03

RSC-01 PRS-01 SS-15 USIA-12 STR-08 RSR-01 /166 W

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R 231050 Z MAY 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 4074

INFO AMEMBASSY BEIRUT

AMEMBASSY BONN

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TEHRAN

AMEMBASSY THE HAGUE

USMISSION OECD PARIS

C O N F I D E N T I A L TOKYO 6418

KUWAIT PASS ABU DHABI

E. O. 11652: GDS

TAGS: ENRG, JA, SA, IR, KU, TC (NAKASONE, YASUHIRO)

SUBJ: PETROLEUM - ANKASONE TRIP TO MIDDLE EAST

REF; TOKYO 6236

SUMMARY: MITI MINERAL, OIL AND COAL BUREAU DIRECTOR
GENERAL TOYAMA TOLD ECON/ MIN THAT MIN NAKASONE, DUR-
ING RECENT VISIT TO ME COUNTRIES, HAD STRESSED IMPORTANCE
TRADE AND ASSISTANCE BETWEEN JAPAN AND ME COUNTRIES
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PAGE 02 TOKYO 06418 231151 Z

AND IMPORTANCE STABILITY IN WORLD OIL MARKET. SINCE
PRODUCERS WOULD REACT AGAINST CONSUMERS CARTEL BY
RAISING PRICES OR RESTRICTING OUTPUT, NAKASONE WITH-
OUT MENTIONING U. S. HAD SAID IN RESPONSE TO DIRECT

QUESTION HE OPPOSED ANY SUCH GROUPING THAT WOULD ATTEMPT TO CONFRONT OPEC. NAKASONE WAS TOLD IN ALL FOUR ME COUNTRIES THAT JAPAN SHOULD REMAIN POLITICALLY NEUTRAL IN ME. TOYAMA SAID THAT AS A BASIC POLICY JAPAN WILL COOPERATE IN OECD OIL ACTIVITIES SINCE JAPAN WOULD SUFFER MOST IF BILATERAL DEALS PROLIFERATE. ACTION REQUESTED: IN RESPONSE QUESTION RAISED IN MEETING, PLEASE ADVISE IF US HAS PLANS SEND SPECIAL ENERGY REP TO VARIOUS COUNTRIES. END SUMMARY.

1. AS SCHEDULED (SEE REFTEL), ECON/ MIN CALLED ON TOYAMA DG OF MITI' S MINERAL, OIL AND COAL MINING BUREAU MAY 22 AT LATTER' S REQUEST TO OBTAIN EXPLANATION OF CIRCUMSTANCES OF MIN. NAKASONE' S RECENT VISIT TO MIDDLE EAST. TOYAMA NOTED THAT PRIOR TO TRIP IT HAD BEEN FIVE YEARS SINCE SOMEONE IN NAKASONE' S POSITION HAD MADE VISIT TO ME COUNTRIES AND THAT FEISAL AND OTHERS HAD, IN MEANTIME, MADE VISITS TO JAPAN WHICH NEEDED TO BE RETURNED. SINCE JAPAN IMPORTS NEARLY 90 PERCENT OF ITS PETROLEUM FROM THE ME, MITI OFFICIALS HAD FELT IT IMPORTANT TO HAVE AN EXCHANGE OF VIEWS WITH ME COUNTRIES. THUS, WHEN IDEA PROPOSED TO ACCEPT SAUDI AND OTHER INVITATIONS, IT QUICKLY APPROVED AND PARTY LEFT SOON AFTER.

2. IN ALL FOUR COUNTRIES VISITED (SAUDI ARABIA, IRAN, ABU DHABI, AND KUWAIT), TOYAMA SAID NAKASONE HAD STRESSED (A) IMPORTANCE OF TRADE BETWEEN JAPAN AND ME AND ASSISTANCE JAPAN COULD OFFER, AND (B) IMPORTANCE OF STABILITY IN WORLD OIL. TOYAMA, WHO WAS MEMBER NAKASONE PARTY, BELIEVED THAT BETTER UNDERSTANDING OF JAPAN HAD BEEN FOSTERED DURING TRIP. IN ALL COUNTRIES, DESIRE TO DEVELOP AND INDUSTRIALIZE WAS STRONG AND NUMBER OF PROJECTS WERE DISCUSSED. ALTHOUGH PROJECTS HAD NOT YET BEEN FULLY STUDIED, DISCUSSIONS DID INDICATE THAT COUNTRIES WANTED COOPERATION OF JAPAN IN THEIR DEVELOPMENT. STAGES OF DEVELOPMENT IN COUNTRIES
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PAGE 03 TOKYO 06418 231151 Z

VISITED WERE DIFFERENT, AND THUS FORMS OF ASSISTANCE WOULD BE TAILORED TO INDIVIDUAL CONDITIONS. IRAN, FOR EXAMPLE, WANTED BOTH MONETARY AND TECHNICAL ASSISTANCE, WHILE OTHERS WANTED ONLY TECHNICAL ASSISTANCE.

3. TOYAMA SAID QUESTIONIQF CONSUMERS' CARTEL HAD FIRST BEEN RAISED BY MINFINANCE IN IRAN. NAKASONE HAD REPLIED THAT HE NOT FULLY INFORMED ON SUCH A SCHEME, BUT IF IT DIRECTED AGAINST PRODUCERS JAPAN WOULD NOT PARTICIPATE. IT WAS CLEAR FROM DISCUSSIONS, TOYAMA SAID, THAT IF CONSUMERS UNION WERE FORMED, PRODUCERS WOULD RAISE PRICES OR RESTRICT OUTPUT. NAKASONE' S AIM WAS TO INCREASE CONSUMPTION FOR BENEFIT OF ALL COUNTRIES;

THEREFORE, HE HAD NO CHOICE BUT TO SAY THAT IF CONSUMERS UNION DIRECTED AGAINST PRODUCERS, JAPAN WOULD NOT PARTICIPATE.

4. ANOTHER QUESTION WHICH HAD ARISEN, TOYAMA SAID, CONCERNED ARAB- ISRAELI PROBLEMS. ALL FOUR COUNTRIES HAD ASKED JAPAN TO REMAIN NEUTRAL AT UN, IN PARIS, AND IN DISCUSSIONS OF ANTI- TERRORIST TREATIES. NAKASONE, NOT BEING FOREIGN MINISTER, HAD MADE NO REPLY, TOYAMA SAID.

5. NAKASONE PARTY RETURNED WITH TWO PRINCIPAL IMPRESSIONS: A) THAT A MORE CONSTANT EXCHANGE OF VISITS BETWEEN JAPAN AND THE MIDDLE EASTERN COUNTRIES WAS ESSENTIAL, AND B) IN VIEW OF NEW INTERNATIONAL SITUATION, JAPAN MUST, IN NEAR FUTURE, REVIEW ITS OIL POLICY.

6. ECON/ MIN NOTED THAT PRESS HAD PUT DIFFERENT CAST ON NAKASONE STATEMENTS, AND HAD REPORTED THAT NAKASONE USED U. S. AS AN EXAMPLE OF COUNTRY WHICH HAD PROPOSED ANTI- PRODUCER CARTEL. ECON/ MIN ALSO NOTED IMPLICATION DRAWN IN WASHINGTON ON BASIS OF PRESS REPORTS THAT JAPAN TRYING TO EXHIBIT CLEAN SLATE POLITICALLY IN MIDDLE EAST IN CONTRAST TO U. S. TOYAMA DENIED NAKASONE HAD EVER REFERRED TO US. ALSO POINTED OUT THAT ALL TALK OF A NEUTRAL JAPAN HAD BEEN RAISED BY OTHER SIDE, AND NAKASONE HAD BEEN NON- COMMITTAL.

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PAGE 04 TOKYO 06418 231151 Z

7. ECON/ MIN CALLED ATTENTION TO UNDER SECRETARY CASEY' S STATEMENT (A-3832) THAT WHILE IN ABSTRACT THERE MAY APPEAR TO BE ADVANTAGES TO INDIVIDUAL GOVERNMENTS PURSUING THEIR ENDS THROUGH BILATERAL AGREEMENTS, WE ARE CONCERNED THAT SUCH POLICY CAN HAVE VERY HARMFUL EFFECTS. U. S. BELIEVES IT DESIRABLE TO AVOID BILATERAL DEALS; HOWEVER, IF OTHER COUNTRIES MOVE TOWARD BILATERAL DEALINGS, THERE WILL BE THOSE THAT WILL SAY THAT U. S. SHOULD DO LIKEWISE. UPON REFLECTION IT MIGHT BE OBSERVED THAT IN EVENT OF SUCH A COMPETITION, U. S. NOT WITHOUT CERTAIN ADVANTAGES.

8. TOYAMA THEN SAID THAT AS A BASIC POLICY, JAPAN WILL COOPERATE IN OECD. JAPAN, HE SAID, REALIZED THAT IT WOULD SUFFER MOST IF BILATERAL DEALS PROLIFERATED. IN ADDITION, MITI, HE SAID, HAD GIVEN DIRECTIONS THAT FUTURE DD TRANSACTIONS SHOULD BE ON COMMERCIAL BASIS, I. E., SHOULD AVOID EXCESSIVE PRICE COMPETITION. HE ADDED THAT JAPANESE REFINERIES SUPPORTED THIS MITI POSITION.

9. AT CONCLUSION OF MEETING, SHIRO IIZUKA, COUNSELOR

OF MINERAL, OIL, AND COAL MINING BUREAU, WHO ALSO
PRESENT, ASKED IF THERE WERE ANY CURRENT PLANS TO SEND
A SPECIAL U. S. REPRESENTATIVE TO VARIOUS COUNTRIES TO
DISCUSS ENERGY PROBLEMS. ECON/ MIN SAID HE KNEW OF NO
DEFINITE PLANS FOR SUCH VISIT BUT WOULD ASK WASHINGTON.

10. ACTION REQUESTED: PLEASE ADVISE WHETHER U. S. HAS
OR IS CONSIDERING PLANS TO SEND SPECIAL REPRESENTATIVE
TO JAPAN FOR ENERGY DISCUSSIONS.
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